The Pursuit of Legitimacy Through Strategic Alliances: An Institutional Perspective on Sport Event Bidding

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In the bid process for large-scale sporting events, event rights owners and sport governing bodies have asked cities, regions and other potential hosts to demonstrate various requirements such as political support, relationship marketing, ability to organize an event, available infrastructure, existing facilities, and bid team experience (Westerbeek, Turner, & Ingerson, 2002). More recently, however, issues such as gigantism, increasing cost, and lack of public support have led to changes in the bidding and hosting process (MacAloon, 2016; Parent & Chappelet, 2015). As a result, requirements to host large-scale sporting events have become increasingly diverse and complex. For instance, the bid requirements for the 2026 Fédération Internationale de Football Association (FIFA) World Cup include factors, such as principles of sustainable event management, human rights and environmental protection, and provisions for the establishment of a legacy fund (FIFA, 2017).

In order to contend for these sporting events, an increasing number of joint event bids, uniting multiple cities or nations in a single application, have emerged as a trend internationally for a variety of large-scale and mega-sporting events. In soccer, even before FIFA decided to increase the size of the World Cup from 32 to 48 teams the United States, Canada, and Mexico had announced a joint bid for the 2026 FIFA World Cup event. Additionally, the Presidents of Argentina, Paraguay and Uruguay have announced that they will form a joint bid for the 2030 FIFA World Cup (Henao, 2017). Within the Olympic context, Agenda 2020 states that hosting the events outside the host city or country will be allowed to help improve the sustainability of the Games, thereby providing increased support for countries to form joint bids (Wilson, 2014). This trend is also visible outside the mega-sport event context with a plethora of joint bid and host examples such as the joint bid from Denmark and Germany for the 2019 World Men's Handball Championship.

Varadarajan and Cunningham (1995) define strategic alliances as “a manifestation of inter-organizational cooperative strategies [that] entail[s] the pooling of skills and resources by the alliance partners, in order to achieve one or more goals linked to the strategic objectives of the cooperating firms” (p. 283). Given this definition, we argue that joint bids can be understood as strategic alliances among organizations or entities that come with the strategic aim of winning the right to host a particular sport event. While this trend continues to gain traction in the field, no research has examined joint bids as strategic alliances and how they might impact the ultimate success of a bid. As such, the purpose of this study is to examine how the formation of a joint bid alliance could impact the likelihood of a successful bid candidacy through the creation of institutional legitimacy. More specifically, we seek to understand how bringing together multiple organizations in a joint bid alliance could create the practices and structures necessary for the granting of legitimacy by bid decision-makers.

In examining this issue, institutional theory is employed as a theoretical framework. Institutional theory argues that organizations adopt practices and structures in order to survive based on social expectation of norms, values and beliefs in the external organizational field. DiMaggio and Powell (1983) proposed that there may be various organizational approaches and forms at the initial phases of institutionalization, but once a field becomes well established “there is an inexorable push towards homogenization” (p. 148). Within the field such homogenization has been conceptualized as isomorphism (DiMaggio & Powell, 1983). Moreover, legitimacy is defined as “a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions” (Suchman, 1995, p. 574). Deephouse (1996) suggested that “a fundamental consequence of institutional isomorphism, according to institutional theory, is organizational legitimacy, the acceptance of an organization by its external environment” (p. 1024). That is, by
adoption institutionalized myths, which are considered as the practices or procedures of others that are commonly accepted, organizations can gain legitimacy (Babiak & Willem, 2017; Meyer & Rowan, 1977; Washington & Patterson, 2011). Thus, from the theoretical perspective, joint bids could be considered as an organizational strategy used to gain legitimacy (i.e., the right to host) that is established by bid decision-makers within sport event context. In order to achieve the goal of this study, a qualitative research design will be employed. More specifically, multiple types of documents and archival materials related to various joint bidding cases of large-scale and mega-sporting events such as FIFA World Cup, the Union of European Football Associations (UEFA) European Championship, the World Men's Handball Championship including bid and hosting documents, candidature files, final reports, newspaper articles, and web site content will be collected. Data analysis will occur in the form of a content analysis using the qualitative data analysis software ATLAS.ti 6.0 that facilitates the coding and retrieval of the data by allowing the researchers to highlight emergent themes showing what the different partners bring to the alliance in order to build the isomorphic structures and practices required to promote themselves as strong candidates and ultimately put forth a bid that will be awarded legitimacy by bid decision-makers.

Preliminary findings suggest that partners in a joint bidding alliance pool a diverse group of skills and resources in their efforts to attain legitimacy. These skills and resources have been classified according to several initial categories: financial, political; knowledge/experience; facilities; organizational social capital; sport prestige; and event image/brand. Data analysis is currently ongoing and will be completed in winter 2018. As a result, a more detailed review of the findings will be reported at the conference, and specific examples of the joint bid alliances will be presented in order to support the results.

Even though the importance of a strategic bid process has increased (Chappelet & Lee, 2016), there has been little attention given to the bidding process for sport events (Hautbois, Parent, & Séguin, 2012). Therefore, examining joint bid alliances, currently an attractive strategic option for bidders, may facilitate understanding not only on the value of joint bids, but also the importance of a strategic approach to the bid process. In addition, this study will contribute to the scholarly literature in the field of sport and event management by further developing the concept of legitimacy within the context of joint bids as strategic alliances. Finally, the application of institutional theory can help us to better understand how joint bids may become accepted (or not) as a standardized norm among bidders and bid decision-makers.